

Legislature, I rise to also commend Senator Hall for introducing LB 404, holding a speedy hearing and to the whole committee for advancing LB 404 at an early time, also to the Speaker for designating it a special order at this time because time is of the essence. I had originally hoped that a permanent solution could be developed in time so we did not need this stopgap measure, with the previous experience we had as a result of the constitutional amendment which we passed in 1984. That does not seem to be the case so, I guess, this is going to suffice and will be a way that we can do it and implement the constitutional Amendment 1 in a manner that will do what was supposed to be done. I would just like to take a moment to discuss, as I did before the Revenue Committee the other day when these bills were heard, as to...to back up a bit and give my views on why Amendment 1 was passed and why we need to implement that bill in a different manner than what we're taxing or valuing agricultural land at this time. Most of the agricultural land that is sold in this state consists of small particles, relatively small pieces of land, not a whole farm or ranch, whatever that is, or "an economic unit". It's usually a small piece of land which the neighboring landowner will buy at what he is willing to pay which is usually an inflated price because he and the other neighbors in the area can absorb that into their existing operation and they can spread out the overhead. They can probably do it with their own machinery, their own labor. They don't have to start from scratch. So, in that situation, the neighboring landowners have a reason to pay an inflated price for that piece of land. But then what happens? Then all the land is valued using this inflated price as a benchmark, so the valuations come back out reflecting what is called comparable sales, but the comparable sales, in my opinion, do not reflect the true value of agricultural land. They, for the most part, reflect an inflated price because, as I mentioned, most of them are relatively small parcels. So from that standpoint, our present system, I believe, is flawed and I support Senator Landis's proposal, LB 320, which would value agricultural land on the basis of productivity. And why on productivity? Because I believe it is fair, it's fair. It bases the value for taxation purposes on what that piece of land can reasonably be expected to produce and that makes sense to me. There are other proposals here, other bills which would use an arbitrary number. We would use the same comparable sales method we're using now, but maybe use three-fourths of that or 80 percent.